

STATE OF WISCONSIN
DEPARTMENT OF HEALTH AND SOCIAL SERVICES
DIVISION OF MANAGEMENT SERVICES
BUREAU OF FISCAL SERVICES

ACCOUNTING PROCEDURE

TOPIC: Contract Administration 4.3	EFFECTIVE DATE: 2/1/93
TITLE: Contracts Required for Check Generation	REVISION DATE:
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BACKGROUND

BUSINESS STANDARDS 1.0 (Basic Standard #6) requires that "For transactions requiring a contract, such contract has been fully executed (signed by the Department and Provider), and is on file within the Department."

If the BFS-CARS Unit receives requests to generate prepayments before a signed contract is on file, checks are held until the contracts are received or the check redeposit date, whichever occurs first. The generation of checks in this manner requires manual intervention and additional controls.

POLICY

The CARS Unit shall generate prepayments for those contracts for which the Department has a signed contract on file. Appropriate documentation that the contracts have been signed by all parties shall be submitted to the CARS Unit prior to requesting that payments be generated. Exceptions to this policy shall be limited, adequately justified and conform to the exception criteria and procedures described below.

EXCEPTIONS

Prepayments generated prior to receipt of signed contracts may be made if:

1. DHSS has an ongoing contractual relationship with all agencies receiving payments under the contract;
2. All contracts are reasonably expected to be signed prior to the first scheduled payment;
3. DHSS can reasonably expect to recover any payments made in error from other payments due the agencies; and
4. The contracting division agrees that if a signed contract with the agency is not received by the payment date, the entire payment to the agency may be delayed.

PROCEDURES

1. Requests to generate checks before the receipt of signed contracts require written justification and approval by the requesting Division Administrator. Requests will be reviewed by the Assistant Director, Bureau of Fiscal Services.
2. Approvals, when appropriate, and denials shall be in writing and are to be forwarded to the requesting division, the BFS-CARS Unit Supervisor and the Chief, General Accounting Section, Bureau of Fiscal Services. The written denial shall explain why the checks cannot be generated in advance and will identify alternatives, when possible, to meet the objectives of the request.
3. Appeals of denied requests shall be to the Director, Bureau of Fiscal Services.
4. The first month's prepayments for the State/County consolidated contract and the Child Support contracts may be generated based on schedules approved by the contracting divisions (i.e. without signed contracts). The approval of the schedules by the contracting division indicates the division's agreement that lack of a signed contract may delay other payments to the agency.

REFERENCE

BUSINESS STANDARDS 1.0 (Basic Standards for Financial Transactions)

CONTACT PERSON

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